

CONFIDENTIAL INFORMATION REPORT

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COUNTRY Austria/USIA

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SUBJECT Production, Sales, and Purchases by
USIA-Controlled Firms

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Soviet Orders

1. Some USIA factories are now so busy with Soviet orders that they have been forced to refuse additional USIA orders, and it now appears that these USIA plants, which are working at full capacity, will not be able to take on additional work before the end of 1949.* Recently, Kloeckner-Humboldt-Deutz had to refuse a request from Austro-Romana Warenverkehrs G.m.b.H., Vienna I, Tuchlaubenhof 7, for bids on a contract for the manufacture of 80 Diesel motors, five to 41 horsepower. This USIA firm has also informed Angel, Slatoff & Co., Vienna VI, Laingrubengasse 4, an export-import firm interested in purchasing Diesel motors for Spanish fishing craft, and Iranian Trading Co., Ltd., of Teheran, interested in purchasing small Diesel-powered generators for the Iranian Government, that no orders can be filled until the first quarter of 1950.
2. Kromag A.G. is unable to fill all of its current Soviet orders for spiral drills, and therefore the Avtovelo Sales and Purchasing Office will probably purchase the following types of drills from either Steyr or H. Schuster & Co. Komm. Ges. fuer Präzisschrauben und Metallindustrie, Vienna XVI, Odoakergasse 2E, for an estimated sum of 1,000,000 schillings:

Dimensions	Number of Pieces, Tool Steel	Number of Pieces, High-speed Tool Steel
4	2,500	5,150
4.05-4.5	5,000	10,000
4.55-5	17,000	18,000
5.05-5.5	8,000	12,000
5.55-6	9,000	12,000

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CENTRAL INTELLIGENCE AGENCY

- 2 -

<u>Dimensions</u>	<u>Number of Pieces, Tool Steel</u>	<u>Number of Pieces, High-Speed Tool Steel</u>
6.05-6.5	8,000	8,000
6.55-7	5,000	6,000
7.05-7.5	4,000	6,000
7.55-8	2,700	5,000
8.05-8.50	3,000	4,000
8.55-9	3,500	3,000
9.05-9.5	2,000	5,000
9.55-10	3,000	6,000
10.2-11	10,000	250
11.2-12	10,000	250
12.2-13	10,000	250
13.2-14	10,000	250
14.2-15	10,000	250

USIA Sales and Purchases

3. Recently, Soviet authorities offered to sell the Austrian Ministry of Trade and Reconstruction a number of USIA products including 42 locomotives, an unspecified number of railroad tank cars, and 500 tons of cellulose. Apparently, the Austrian Government is considering the advisability of this purchase for an estimated 300,000,000 schillings.**
4. According to SUBOCHEV, Soviet Director of the USIA-controlled branch of A. Porr A.G., USIA is willing to release its title to 52 percent of this firm, if the Austrian branch of Porr A.G. will pay USIA a sum of 2,000,000 schillings. TUTTNER, Austrian director of the USIA-branch of Porr A.G., has allegedly stated that the Austrian firm would consider USIA's proposal if an Austrian State Treaty were assured. If the transaction goes through, the Laenderbank will probably finance Porr's payment to USIA. SIDOROV, Soviet Director of USIA's Construction and Building Materials Administration, is quoted as saying that if the Austrians come to terms with USIA, he will guarantee in writing that the Soviets will evacuate Porr A.G. premises permanently. Meanwhile, the Austrian branch is still trying to purchase USIA-held Porr A.G. equipment now being sold by the Soviets. Recently, when RAKOSKY, Austrian Public Administrator of the USIA-controlled branch of Porr A.G., protested against USIA's removal of excavators, he was informed by SIDOROV that these excavators had been "borrowed" for important construction work.***
5. Although most USIA firms/sold all surplus equipment and scrap materials, some USIA factories are still trying to get rid of various unsalable items. Director PEVRIMOVSKI of Berndorfer Metallwarenfabrik is now trying to sell about 70 tons of hot pressed steel (Warmpress Stahl), 14 tons of section iron and steel, and 11 tons of knife steel and various other types of steel. During recent weeks, Avtovelo's Sales and Purchasing Office has disposed of nine

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CENTRAL INTELLIGENCE AGENCY

- 3 -

spiral drill grinding machines, type SP 10, manufactured by Wiener Werkzeug- u. Werkzeugmaschinenfabrik, Ing. Frank & Co., Vienna XX. One machine was sold to the Boechler firm; five were shipped to NIK Import, Budapest, and three to Boechling A.G., Bucharest.**** USIA sold the grinding machines to Hungary and Rumania for 10,600 schillings each, plus a two percent crating charge.

6. Dr. Elmar SANDOLFF, formerly associated with Handels Agentur, Vienna I, Kohlmarkt 5, has been appointed sales director of the USIA firm, Wiener Leichtmetallwerke G.m.b.H., Liesing. Since he is solely concerned with selling, USIA may be preparing to liquidate its holdings in this firm.*****

7. The Central Commercial Bureau of USIA is now trying to purchase about 4,000 tons of semi-finished iron, which the USIA-controlled Eisen- und Stahl A.G. has not been able to procure in Austria.

Loan of Machinery and Equipment

8. Avtovalo's Sales and Purchasing Office has loaned six machines of an unspecified type, valued at an estimated 373,200 schillings, and seven radial drills, valued at 136,000 schillings, to Austro-Fiat; six machines of an unknown type, valued at a total of 380,000 schillings, to Kromag A.G., and one adding machine worth 8,000 schillings to Wiener Werkzeug- u. Werkzeugmaschinenfabrik, Ing. Frank & Co., Vienna XX.

Current Production

9. According to an advertisement published in the 31 August 1949 issue of Handlungs- markt, current output of the firm of Alois Koessler of St. Georgen am Stein- felde, Lower Austria, a subsidiary firm of the USIA-controlled J.M. Voith, includes: Reiffenstein turbines, Francis shaft turbines, Francis spiral tur- bines, free jet (Freistahl) turbines, propellers, steel gear wheels, auto- matic revolution regulators (Drehzahlbegrenzungsregler), fine rakes, genera- tors, and "Schützenszüge" (sic).

Personnel

10. Recently, USIA's Central Employment Agency and the SMV have advertised a number of job openings for many types of skilled laborers. Actually, USIA is hiring only unskilled workers and chauffeurs. [redacted] newspaper advertisements to be part of a propaganda campaign to counteract recent publicity given by the Socialist press to USIA's dismantling and sales *****

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